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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

-oOo-

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LINDA LIVOLSI, aka
LINDA G. FINDLEY, aka
LINDA GROGG, and
WILLIAM LIVOLSI, JR.,

Defendants.

) SUPERSEDING
) CRIMINAL INDICTMENT

) 2:10-CR-578-PMP-GWF

) VIOLATIONS:

) 18 U.S.C. § 1349 - Conspiracy to Commit
) Wire Fraud

) 18 U.S.C. § 1343 - Wire Fraud

) 26 U.S.C. § 7206(1) - False and Fraudulent
) Tax Returns

) 26 U.S.C. § 7203 - Failure to File Tax
) Returns

Summary of Charges

Defendant	Counts	Charge
LINDA LIVOLSI, aka LINDA G. FINDLEY, aka LINDA GROGG	1 2 3-6 7-8	18 U.S.C. § 1349 - Conspiracy to Commit Wire Fraud 18 U.S.C. § 1343 - Wire Fraud 26 U.S.C. § 7206(1) - False and Fraudulent Tax Returns 26 U.S.C. § 7203 - Failure to File Tax Returns
WILLIAM LIVOLSI, JR.	1 2	18 U.S.C. § 1349 - Conspiracy to Commit Wire Fraud 18 U.S.C. § 1343 - Wire Fraud

THE GRAND JURY CHARGES THAT:

At all times relevant to the Indictment:

COUNT 1
Conspiracy to Commit Wire Fraud
(18 U.S.C. § 1349)

1. From a date no later than in or about 2003, to in or about 2010, in the State and Federal District of Nevada and elsewhere,

LINDA LIVOLSI, aka Linda G. Findley, aka Linda Grogg, and

WILLIAM LIVOLSI, JR.,

defendants herein, did knowingly and willfully combine, conspire, and agree together and with others known and unknown to the grand jury to commit the crime of wire fraud, that is, the

1 defendants and others did devise, intend to devise, and participate in a scheme and artifice to
2 defraud and for obtaining money and property by means of materially false and fraudulent
3 pretenses, representations, and promises, and for the purpose of executing the scheme and
4 artifice did transmit and cause to be transmitted money by means of wire communications
5 in interstate and foreign commerce, in violation of Title 18, United States Code, Section 1343.

6 The Objective of the Conspiracy

7 2. The objective of the conspiracy was to obtain money and property by defrauding
8 victims by inducing them to believe that the defendants would invest the victims' money in a
9 hedge fund when in fact the defendants intended to use this money for their own personal use
10 and benefit.

11 Manner and Means of the Conspiracy

12 3. It was part of the conspiracy that the defendants solicited victims by fraudulently
13 representing that LINDA LIVOLSI would invest their money in a hedge fund she controlled.

14 4. It was part of the conspiracy that defendants falsely and fraudulently induced
15 people to invest with them by representing that LINDA LIVOLSI was an investment advisor to a
16 hedge fund that would invest in publicly traded companies, and that her hedge fund had a track
17 record of outstanding returns, when the defendants then and there well knew that they would not
18 invest victims' money in a hedge fund.

19 5. It was a further part of the conspiracy that the defendants provided victims
20 fraudulent documents that purported to support the existence and track record of defendants'
21 hedge fund when the defendants then and there well knew that they did not intend to invest
22 victims' money in a hedge fund.

23 6. It was a further part of the conspiracy that defendants did not invest the investors'
24 money in a hedge fund.

25 7. It was a further part of the conspiracy that the defendants used the money to pay
26 for personal purchases and expenses.

8. It was a further part of the conspiracy that defendants caused "account statements" to be sent to victims to lull them and prevent them from questioning whether their money had in fact been invested, where these statements falsely listed the investments purchased by the hedge fund.

9. It was a further part of the conspiracy that when victims tried to withdraw their money from the "hedge fund," the defendants acted to delay and deceive the victims to keep them from complaining to law enforcement.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO
Wire Fraud
(18 U.S.C. § 1343)

10. The allegations set forth in Count One are re-alleged and incorporated as if fully set forth herein.

11. From in or about 2003, to in or about 2010, in the State and Federal District of Nevada and elsewhere.

LINDA LIVOLSI, aka Linda G. Findley, aka Linda Grogg, and

WILLIAM LIVOLSI, JR.,

defendants herein, did devise and intend to devise, and participate in a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises.

12. On or about December 4, 2007, for the purpose of executing the scheme, the defendants did cause to be transmitted by means of wire communication in interstate commerce writings, signs, signals, and sounds, to wit: a wire transfer of \$5,015,000.00 from E. B. of Maryland to RGM Enterprises, LLC, in Nevada, Wachovia Bank account xxxxxxxxxx3450, all in violation of Title 18, United States Code, Sections 1343 and 2

COUNT 3

False and Fraudulent Tax Returns
(26 U.S.C. § 7206(1))

On or about December 30, 2007, in the District of Nevada and elsewhere,

LINDA LIVOLSI, aka LINDA G. FINDLEY, aka LINDA GROGG,

defendant herein, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2003, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. The return, which was prepared in the District of Nevada and filed with the Internal Revenue Service was false and fraudulent as to a material matter, in that the return did not accurately report all the income earned by the defendant for calendar year 2003 as the defendant only reported \$30,049 in adjusted gross income. The defendant in 2003, doing business as RGM Enterprises, LLC, then and there well knew that she received approximately \$150,000 of additional income from J.M. which she did not report to the Internal Revenue Service.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT 4

False and Fraudulent Tax Returns
(26 U.S.C. § 7206(1))

That on or about December 30, 2007, in the District of Nevada and elsewhere,

LINDA LIVOLSI, aka LINDA G. FINDLEY, aka LINDA GROGG,

defendant herein, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2004 which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. The return, which was prepared in the District of Nevada and filed with the Internal Revenue Service, was false and fraudulent as to a material matter, in that the return did not accurately report all the income earned by the defendant for calendar year 2004 as the defendant reported zero (\$0.00) adjusted gross income. The defendant in 2004, doing business

1 as RGM Enterprises, LLC, then and there well knew that she received approximately \$543,950
2 of additional income from J.M. and R.S. which she did not report to the Internal Revenue
3 Service.

4 All in violation of Title 26, United States Code, Section 7206(1).

5 **COUNT 5**

6 False and Fraudulent Tax Returns
(26 U.S.C. § 7206(1))

7 That on or about December 30, 2007, in the District of Nevada and elsewhere,

8 **LINDA LIVOLSI, aka LINDA G. FINDLEY, aka LINDA GROGG,**

9 defendant herein, did willfully make and subscribe a U.S. Individual Income Tax Return, Form
10 1040, for the calendar year 2005 which was verified by a written declaration that it was made
11 under the penalties of perjury and which she did not believe to be true and correct as to every
12 material matter. The return, which was prepared in the District of Nevada and filed with the
13 Internal Revenue Service, was false and fraudulent as to a material matter in that the return did
14 not accurately report all the income earned by the defendant for calendar year 2005 as the
15 defendant reported negative adjusted gross income of \$144,720. The defendant in 2005, doing
16 business as RGM Enterprises, LLC, then and there well knew that she received approximately
17 \$100,000 of additional income from J.M. which she did not report to the Internal Revenue
18 Service.

19 All in violation of Title 26, United States Code, Section 7206(1).

20 **COUNT 6**

21 False and Fraudulent Tax Returns
(26 U.S.C. § 7206(1))

22 On or about December 30, 2007, in the District of Nevada and elsewhere,

23 **LINDA LIVOLSI, aka LINDA G. FINDLEY, aka LINDA GROGG,**

24 defendant herein, did willfully make and subscribe a U.S. Individual Income Tax Return, Form
25 1040, for the calendar year 2006, which was verified by a written declaration that it was made
26 under the penalties of perjury and which she did not believe to be true and correct as to every

1 material matter. The return, which was prepared in the District of Nevada and filed with the
2 Internal Revenue Service, was false and fraudulent as to a material matter in that the return did
3 not accurately report all the income earned by the defendant for calendar year 2006 as the
4 defendant reported negative adjusted gross income of \$430,740. The defendant in 2006, doing
5 business as RGM Enterprises, LLC, then and there well knew that she received approximately
6 \$664,000 of additional income from G.G., R.S. and B.S. which she did not report to the Internal
7 Revenue Service.

8 All in violation of Title 26, United States Code, Section 7206(1).

9 **COUNT 7**
10 Failure to File Tax Return
(26 U.S.C. § 7203)

11 During the calendar year 2007,

12 **LINDA LIVOLSI, aka LINDA G. FINDLEY, aka LINDA GROGG,**
13 who was a resident of Cleveland, Oklahoma, had and received gross income of at least
14 \$2,116,440. By reason of such gross income, she was required by law, following the close of the
15 calendar year 2007, and on or before October 15, 2008, to make an income tax return to an
16 Internal Revenue Service office permitted by the Commissioner of Internal Revenue, stating
17 specifically the items of her gross income and any deductions and credits to which she was
18 entitled. Well knowing and believing all of the foregoing, she did willfully fail, on or about
19 October 15, 2008, in the District of Nevada and elsewhere, to make an income tax return.

20 All in violation of Title 26, United States Code, Section 7203.

COUNT 8

Failure to File Tax Return
(26 U.S.C. § 7203)

During the calendar year 2008,

LINDA LIVOLSI, aka LINDA G. FINDLEY, aka LINDA GROGG,

who was a resident of Cleveland, Oklahoma, had and received gross income of at least \$519,000.

By reason of such gross income, she was required by law, following the close of the calendar year 2008 and on or before April 15, 2009, to make an income tax return to an Internal Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the items of her gross income and any deductions and credits to which she was entitled. Well knowing and believing all of the foregoing, she did willfully fail, on or about April 15, 2009, in the District of Nevada and elsewhere, to make an income tax return.

All in violation of Title 26, United States Code, Section 7203.

FORFEITURE ALLEGATION

Conspiracy to Commit Wire Fraud and Wire Fraud

1. The allegations of Counts One and Two of this Indictment are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Codes, Section 2461(c).

2. Upon a conviction of the felony offenses charged in Counts One and Two of this Indictment,

LINDA LIVOLSI, aka Linda G. Findley, aka Linda Grogg, and

WILLIAM LIVOLSI, JR.,

defendants herein, shall forfeit to the United States of America, any property which constitutes or is derived from proceeds traceable to violations of Title 18, United States Code, Section 1343, a specified unlawful activity as defined in Title 18, United States Code, Sections 1956(c)(7)(A) and 1961(1)(8), and Title 18, United States Code, Section 1349, a

1 conspiracy to commit such offense, an in personam criminal forfeiture money judgment up
2 to \$5,015,000 in United States Currency.

3 3. If any property being subject to forfeiture pursuant to Title 18, United States
4 Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), as a result
5 of any act or omission of the defendants -

- 6 a. cannot be located upon the exercise of due diligence;
- 7 b. has been transferred or sold to, or deposited with, a third party;
- 8 c. has been placed beyond the jurisdiction of the court;
- 9 d. has been substantially diminished in value; or
- 10 e. has been commingled with other property that cannot be divide
11 without difficulty;

12 it is the intent of the United States of America, pursuant to Title 21, United States Code,
13 Section 853(p), to seek forfeiture of any properties of the defendant up to \$5,015,000 in
14 United States Currency.

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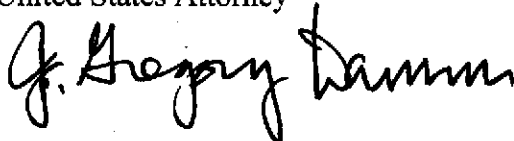
1 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28,
2 United States Code, Section 2461(c); Title 18, United States Code, Section 1343, a
3 specified unlawful activity as defined in Title 18, United States Code, Sections 1956(c)(7)(A)
4 and 1961(1)(8); Title 18, United States Code, Section 1349; and Title 21, United States
5 Code, Section 853(p).

6 **DATED:** this 7th day of January, 2014.

7 **A TRUE BILL:**

8
9 /s/
FOREPERSON OF THE GRAND JURY

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13 DANIEL G. BOGDEN
United States Attorney

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16 J. GREGORY DAMM
Assistant United States Attorney
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